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FLOOR DEBATE

March 15, 2005 LB 268

set aside for the volunteer would not be subject to attachment for debts of the volunteer until final distribution. Also, a new subdivision to Section 35-1324 is added, authorizing the subdivision sponsoring the program to include any trust...in the trust, any provisions deemed necessary to ensure that the benefit accrued...benefits accrued are not taxable to the beneficiary until distribution. This is the core issue of the bill. There are other matters that are dealt with in the bill. Section 35-1310 is amended in Section 1 of the bill to make it clear that the certification administrator of any program must make annual status reports to the governing body of the political subdivision sponsoring the program, and not just one report at the beginning of the year. Second, 13...35-1312 is amended to authorize graded vesting in the local program. Third, Section 35-1330 is amended in Section 4, to authorize at the discretion of the sponsor that forfeited amounts, funds set aside for the volunteers who do not vest in the serving...by serving sufficient time, be used to reduce the amount of current or future obligations of the sponsor to total awards...to the total awards benefit program. Finally, just to sum up here, I wanted to say thank you, Senator Carol Hudkins, for making this a personal priority; also to the Urban Affairs Committee for the work on this bill. I would ask, with that, the advancement of LB 268 to Select File. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Friend. Senator Friend, your light...did you wish...thank you. Senator Hudkins.

SENATOR HUDKINS: Thank you, Mr. President and members of the body. Yes, I did take LB 268 as my personal priority. In years past, I have sponsored other legislation that would benefit volunteer firefighters. If you were here, you remember the workers' compensation bill that we worked on a year or so ago, and that one would say when exactly the firemen or the rescue responders were covered for workers' compensation purposes. This bill is necessary because, as Senator Friend said, the IRS has been looking at this with the idea that if this...if these monies are set aside for a specific purpose, then it could be that the people whose benefit they were set aside for may be taxed in the year that they are vested, rather than when they reach their retirement years. I want to do everything that we